



Market Report

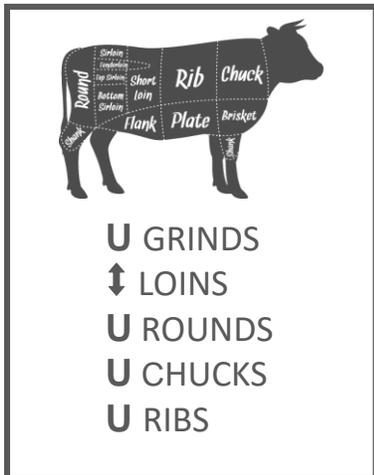
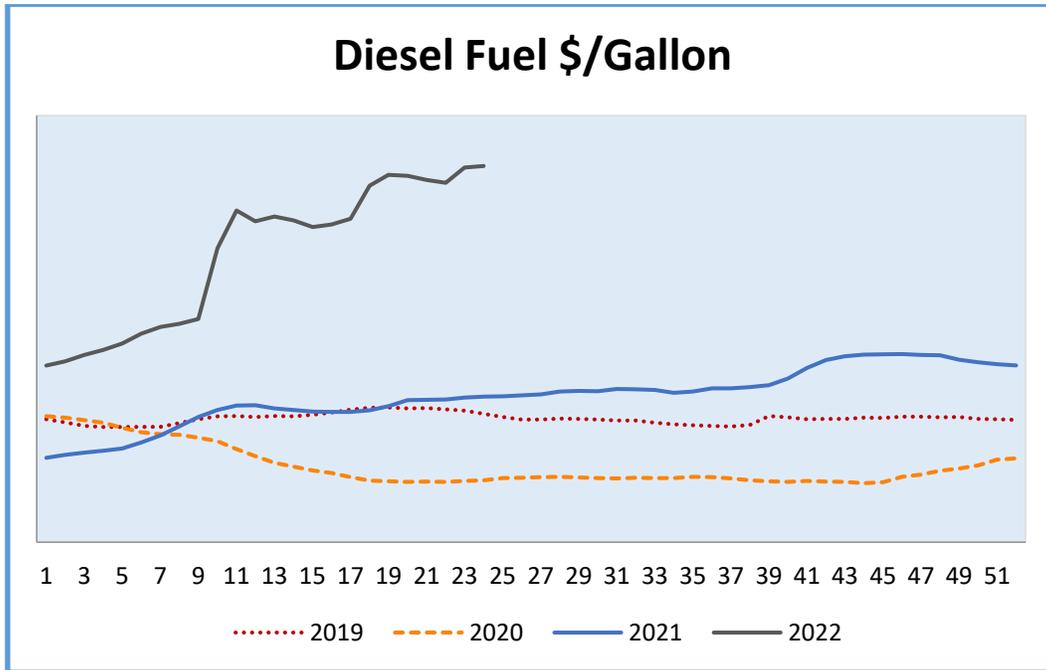
Week Ending June 17, 2022



Graphs represent data for the week ending June 10, 2022



LOGISTICS



BEEF

Market is unsettled. Total beef production for last week was up 11.1% from prior week and was up 0.3% compared to same time last year. Total headcount for last week was 674,000 as compared to 670,000 for the same time last year. Live weights for last week were down 8 lbs. from prior week, but up 1 lb. from same time last year. Cattle weights have continued their seasonal downward trend as is typical as we move through the summer. Live cattle prices remain at higher levels and continue to trend well above prior year. Overall demand has been below expectations over the past several weeks with retail demand remaining sluggish, due in part to concerns of higher consumer costs. Demand is typically good as we move closer to the upcoming 4th of July Holiday. Herd

liquidation has continued at an unprecedented rate with the month of May seeing record levels. Year to date cow liquidation numbers is up 17% compared to 2011, which makes current numbers the largest numbers in modern history. This is being caused in part due to the ongoing severe drought conditions being seen across a large section of the west and mid-west. Available labor remains a concern at multiple plants as production on certain items continues to be impacted with shorts and allocations common on some items and pack sizes.

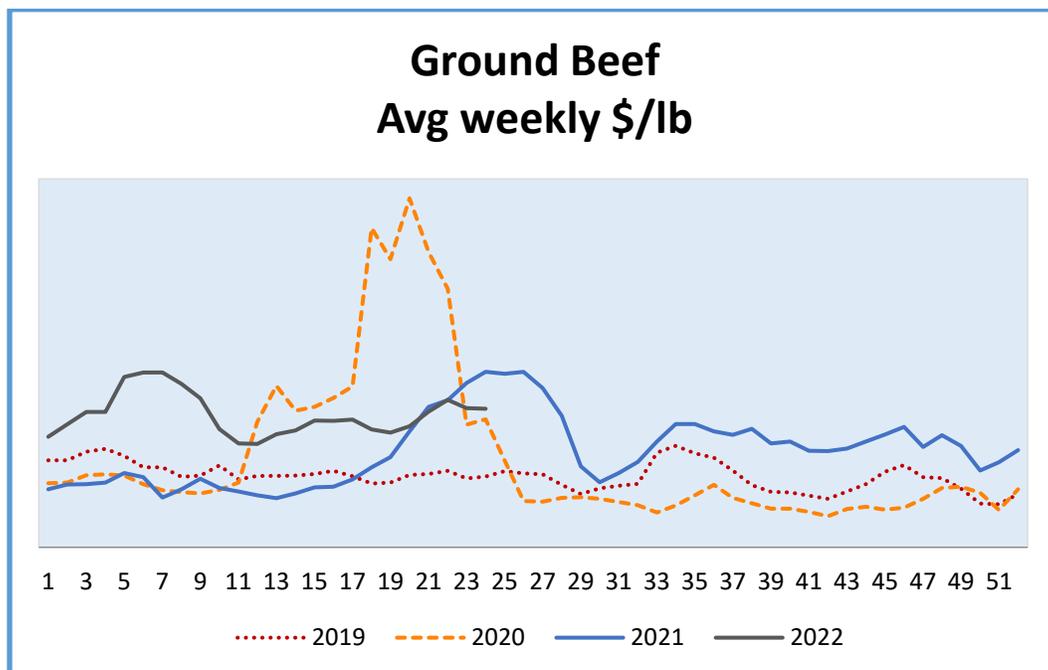
Grinds- Market is unsettled. Buying activity for grinds has been good over the past few weeks. Increasing consumer costs in other categories typically helps to improve demand on ground beef as consumers look for more cost valued protein.

Loins- Market is mixed. Demand has been good leading up to Father’s Day as strips are a hot item for grilling activities for many households. Buying activity has been lighter as this week progressed and has helped to result in both higher and lower asking prices as we moved through the week.

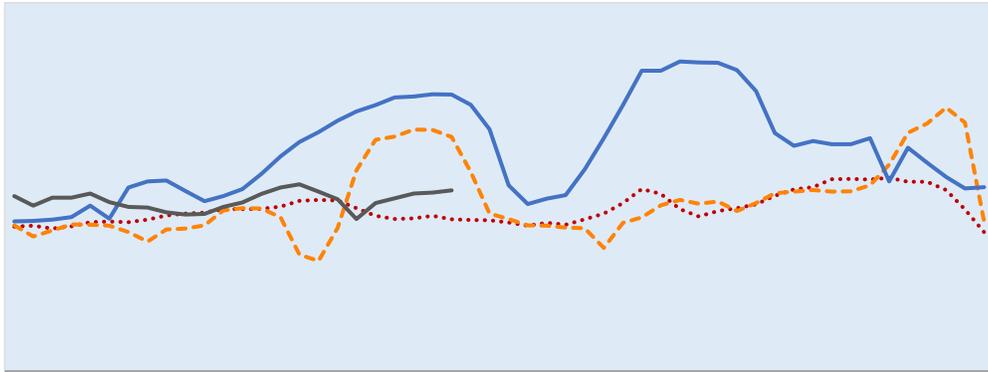
Rounds- Market is unsettled. The market has seen increased demand over the past couple of weeks helping to reverse the downward trend that had seen recently. Demand for grinding is picking up and helping to put pressure on this market.

Chucks- Market is unsettled. Buying interest has been improved as buyers have been looking for more value priced beef cuts. Demand for grinding is pulling additional product into that channel.

Ribs- Market is unsettled. Availability is mixed between suppliers with shortages being noted. Demand typically is improved as we closer to 4th of July.



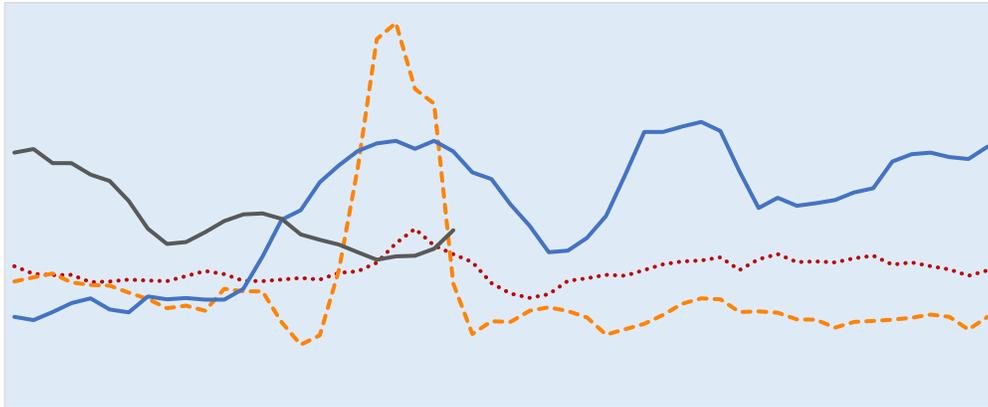
Choice Ribeye Heavy Avg weekly \$/lb



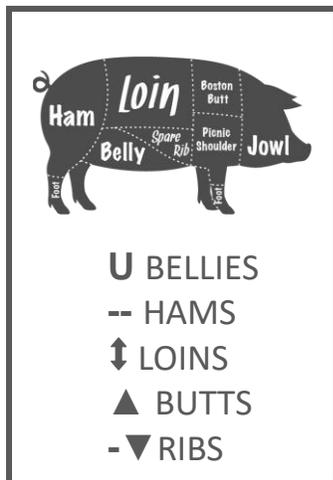
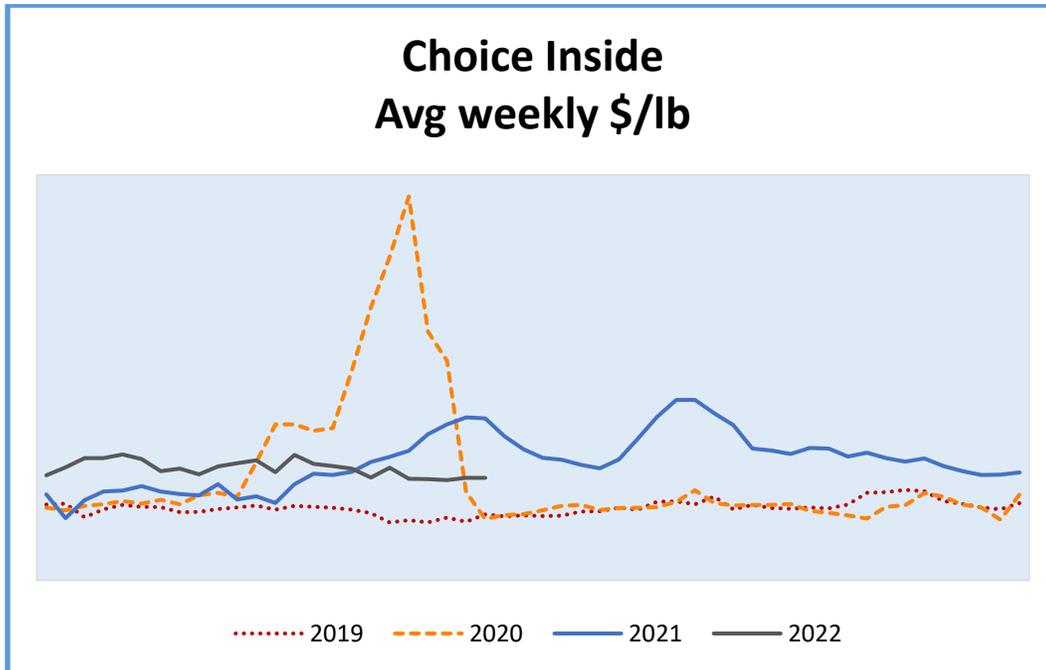
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51

..... 2019 - - - - 2020 ——— 2021 ——— 2022

Choice Brisket Avg weekly \$/lb



..... 2019 - - - - 2020 ——— 2021 ——— 2022



PORK

Market is mixed. Total pork production for last week was up 15.6% versus prior week but was down 0.6% compared to same time last year. Total headcount for last week was 2,372,000 as compared to 2,432,000 for the same week last year. Live weights for last week were down 1 lb. from prior week, but up 5 lbs. from same time last year. Available labor continues to improve compared to prior months, yet it is still well below necessary levels; this continues to be a concern at multiple plants along with transportation challenges. Shortages and allocations are commonplace and are expected to continue as we progress through the year. Further processed items remain in lighter supply due to the limited

labor. Demand for deli items is seasonally improving and this is helping to give extra support to items such as hams. Hog weights are moving seasonally lower and typically will drop as we move through the summer.

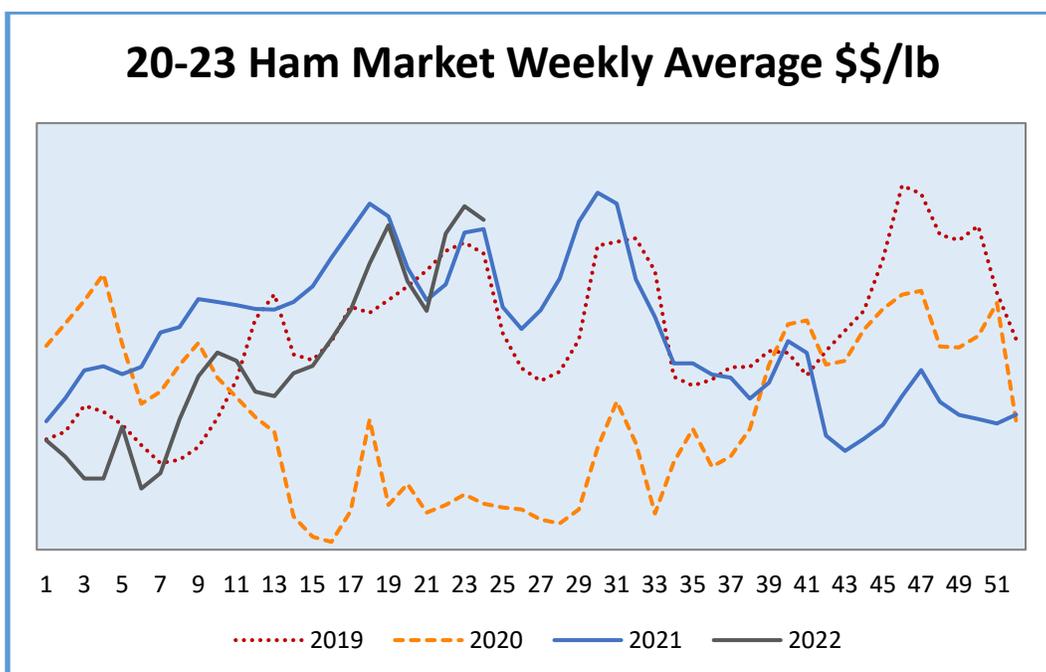
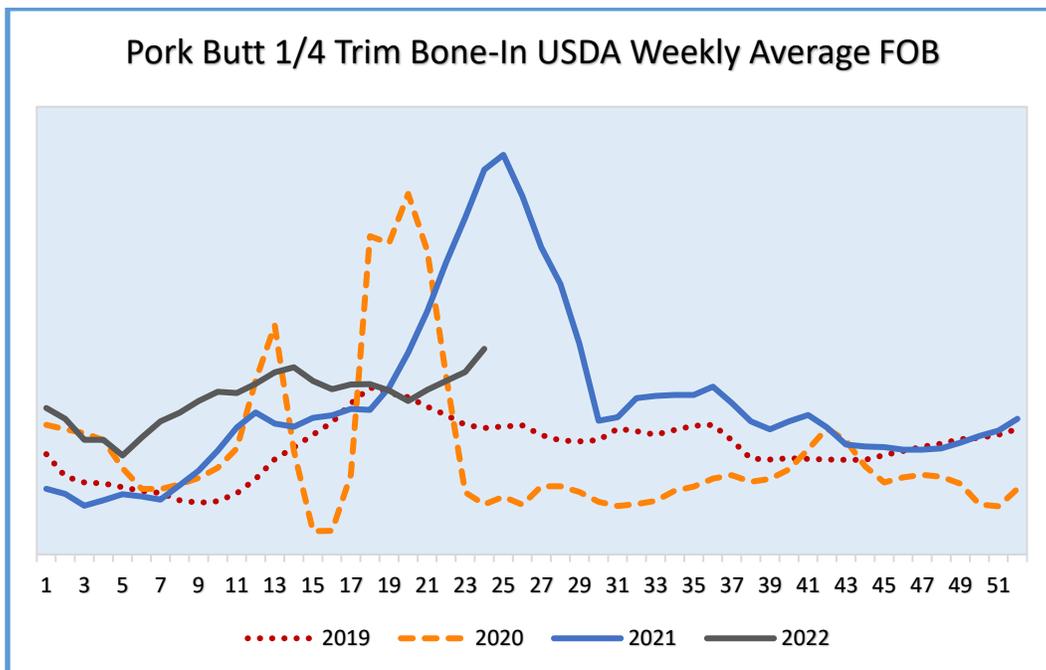
Bellies- Market is unsettled. The belly market has seen both higher and lower prices as we moved into this week, and this is based in part on availability of the different sized bellies. Bacon remains on allocation with multiple suppliers due to ongoing labor concerns.

Hams- Market is steady. Demand for deli items is seasonally improving and helping to put pressure on the market.

Loins- Market is mixed. Buying demand for grilling activities has been good and helping to improve retail demand as we moved into this week. Demand has eased as we moved further into this week as most buyers had covered their needs for Father’s Day weekend. Availability is mixed between suppliers.

Butts- Market is firmer. Demand has been seasonally improving helping to keep inventories moving and the market has been pushing higher over the past few weeks.

Ribs- Market is steady to weaker. Demand at retail has been below expectations over the past few weeks due to the high price levels limiting feature activity.





CHICKEN

Market is steady to weaker. Total headcount for week ending 6/11/22 was 168,065,000 as compared to 169,146,000 for the same week last year. Average weights for last week were 6.37 lbs. as compared to 6.48 lbs. for the same week last year. Chick placements on fryers for week ending 7/16/22 are estimated at 166.1 million headcounts. Placements for previous week were 165.9 million and same week last year was 168.0 million. Demand is mixed across the various categories of the chicken complex. Jumbo boneless breast continues to have excess supply and demand has been declining for three weeks. Business on WOGS is steady, but

tenders, and wings are showing some signs of weakening demand. Business on the back half of the bird is reported to be strong and getting interest from both the domestic and export channels. Processing schedules remain reduced and hatch rates are starting to show slight improvement.

WOGS- Market is steady. Since Memorial Day, demand from the fast food and retail deli channels has been stable and adequate. Retail deli is the main driver as rotisserie chickens are providing a reasonable price point to consumers in this inflationary economy. All sizes of product are reported to be clearing well with some spot business being reported. Market is trending flat.

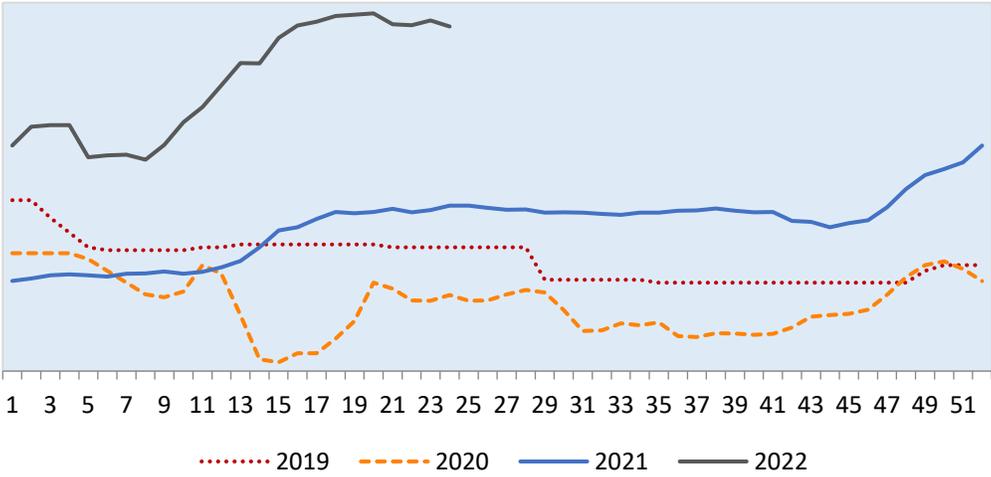
Tenders- Market is unsettled. While volume is consistent for select and jumbo tenders, some reports are starting to surface that peak demand is starting to wane a bit. As menu prices and retail prices have risen, consumer demand has appeared to hit its peak and is now starting to weaken. Supply remains tight. Market levels are moving sideways, and buyers remain cautious.

Boneless Breast- Market is weaker. Since the Memorial Day Holiday, demand has been dropping off on jumbo sized boneless breast. As consumers pull back their purchasing habits, supply is now outpacing demand. Further processors and distributors are taking a wait and see approach to the spot market which is pulling the market down. Market on jumbo boneless is getting extreme downward pressure, while medium and select sizes are holding steady.

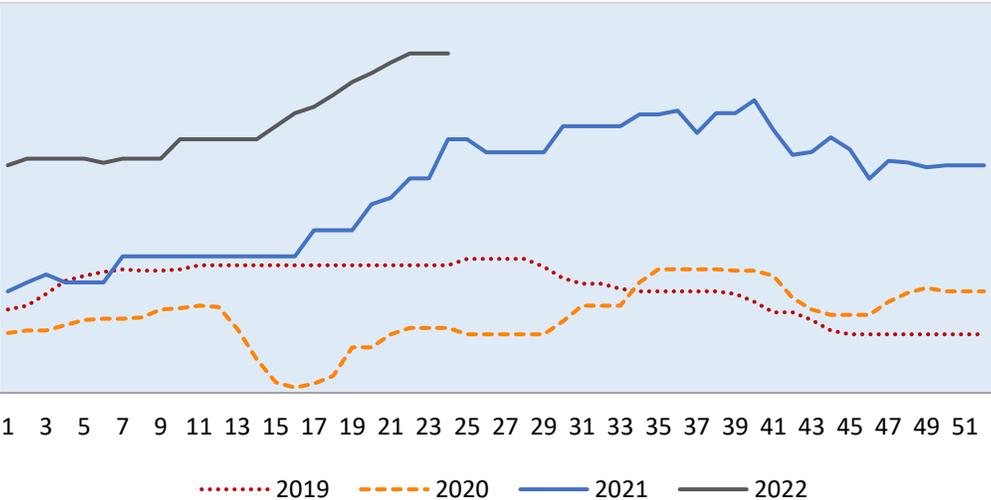
Leg Quarters and Thighs- Market is steady. The back half of the bird continues to get steady demand both domestically and abroad. Retail demand for legs quarters is reported as good and deboners are keeping whole legs fully supported. Supply is tight and the market is holding its own.

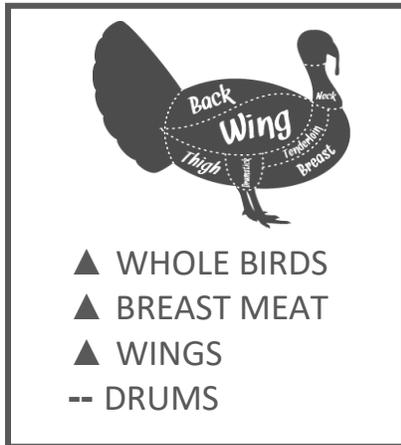
Wings- Market is steady to weaker. Demand from the foodservice channel is reported to be good on jumbo wings. Medium and small wings lack adequate demand as further processors are keeping their finished inventories tight. Supply is available on all sizes. Market is flat on jumbo wings and trending lower on medium and small sizes.

Chicken Plant Grade, 2 1/2 lbs & up Avg Weekly \$/lb



Chicken Tenders Avg Weekly \$/lb





TURKEY

Market is firmer. Total headcount for week ending 6/11/22 was 3,738,000 as compared to 3,891,000 for the same week last year. Average weights for last week were 29.68 lbs. as compared to 31.13 lbs. for the same week last year. Weekly news continues to revolve around limited supply due to HPAI that hit the industry in March. Now that the industry is 10 weeks removed from the major HPAI event, the impact is being felt increasingly by the week. Whole birds, breast meat, white meat, and parts are in an oversold position. Demand for all categories continues to outpace supply. Market levels continue to hold firm or trend higher.

Whole Birds- Market is firmer. Freezer stocks are reported to be 13% less than the 10-year average. Reduced future production remains a concern to both suppliers and customers alike. Any spot loads reported continue to come with premiums noted. Market levels are moving higher.

Breast Meat- Market is firmer. Summer seasonality for sliced meats and sub shops is robust. Demand continues to overwhelm the supply side. Market levels continue to rise and are hitting new highs on a weekly basis.

Wings- Market is firmer. Demand for whole wings and 2-joints is trending stronger due to seasonal business. As the supply side is constrained, order fulfillment is less than optimal. Markets are being pressured higher.

Drums and Thigh Meat- Market is steady. Drums continue to be supported by summer business trends. Thigh meat is fully supported by deboners, further processors, and retail needs for turkey grinds. Market on drums and boneless thigh meat is flat.



SEAFOOD

Inflation concerns are being noted as having an impact on multiple categories such as crab, lobster, and shrimp. Demand has eased in these categories and the market is expected to be more unsettled as we move through the coming weeks.

Gulf Shrimp- Market is weaker. New season landings have been very good with Gulf White Shrimp seeing the largest amount of improvement in inventories.

Black Tiger Shrimp- Market is steady to weaker. Lighter buying interest is helping to keep pressure on the market. The lower priced white shrimp market is helping to put pressure on the Black Tiger market.

White Shrimp- Market is steady to weaker. The substantial number of imports over the past few months combined with slowing demand is putting pressure on the market.

King Crab- Market is unsettled. Prices for product from Russia have fallen from their recent record highs and this is causing the overall market to be more unsettled. King Crab imports for March were down over 41% compared to same time last year.

Snow Crab- Market is weaker. Demand has pushed much lower as we have progressed through this year. The high prices that we saw from the Fall and into early this year have helped to slow buying interest, and the market has pushed sharply lower over the past several weeks. The market is forecasting to push even lower as we continue through June due to the light demand. Even with the sharp drops, pricing is still well above normal for this time of the year. Year to date snow crab imports through March are down over 48%. The ban on Russian Seafood is expected to have an impact on this market as 30% of snow crab product sold last year was from Russia.

Warm Water Lobster Tails- Market is weaker. New season production is helping to put downward pressure on the market and helping to push prices lower from the sharp highs that have been seen for several months. Buying activity for lobster is light, due in part to inflationary concerns impacting multiple seafood items.

North American Lobster Tails- Market is steady to weaker. Demand from Europe and Asia has been improved over the past few weeks. Larger sized product is in lighter supply than other sizes and is not seeing the downward pressure this week that other sizes have continued to see.

Salmon- Market is mixed. Buying activity has been below expectations over the past few weeks helping to push the market lower from all regions on farmed salmon. The Wild Salmon market is unsettled as new season product begins to make its way to market. Availability is varied between fishing areas and species.

Cod- Market is firm. Available inventories have been limited for several months and ongoing production and logistical issues are keeping pressure on the market. Product coming back out of China continues to see upward pressure due to the ongoing labor and logistical challenges

Flounder- Market is firm. Production issues and delays out of China are causing issues for the market.

Haddock- Market is firm. Inventories are light for an active demand. Higher production costs and more limited inventories are putting pressure on the market. Shipping delays are adding additional challenges as well.

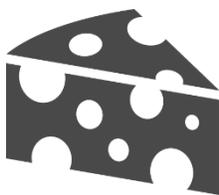
Pollock- Market is firm. Retail demand has been quite good and putting stress on already light inventories. Production and logistical issues continue to hamper availability.

Domestic Catfish- Market is firm. Inventories have been limited for several months. Allocations remain commonplace and are anticipated to continue as we head further into 2022. Inventories are limited on all sizes and well below current demand.

Tilapia- Market is unsettled. The market has been surging higher over the past several months due to strong global demand, freight costs, and increased import costs. Demand has seen softening over the past few weeks due in part to the higher prices. This week has seen some downwards pressure beginning to show up in the market.

Swai- Market is weaker. Imports have been improved and helping to improve overall inventories. The high prices that were seen in the market over the past several months helped to slow demand while the imports were improving. Total Swai imports through March are up over 14% compared to same time 2021.

Scallops- Market is steady.



DAIRY

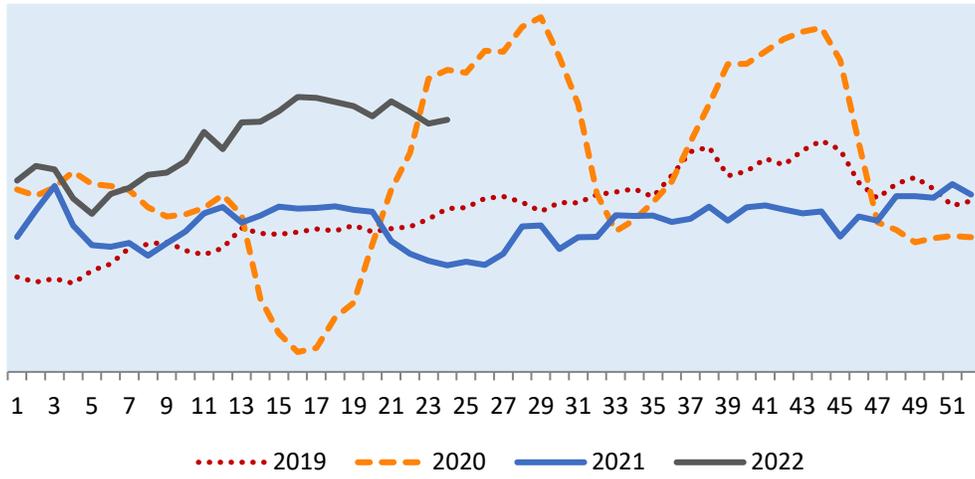
Cheese

Market is weaker. The CME block and barrel markets are both down this week. Cheese production is busy nationwide, with milk supplies readily available in all areas, though labor shortages and scheduled downtime are affecting production in the West and Midwest. Demand in both retail and foodservice have shown signs of softening in the Northeast and West, while demand in the Midwest is steady. In the Northeast, milk production and supply are good, cheese production is busy, and inventories of cheese are abundant. Retail demand is weaker this week in the region, and foodservice demand is steady to weaker. In the Midwest, milk availability is continuing to grow, though some contacts report that labor shortages and downtime for maintenance continue to keep them from running full production schedules. Overall cheese demand in the Midwest is steady and on par with seasonal expectations. In the West, foodservice and retail demand are both weakening, with most contacts blaming consumer cutbacks due to higher prices. Cheese production is busy in the region, but delayed deliveries and ongoing labor shortages continue to somewhat depress plant activity.

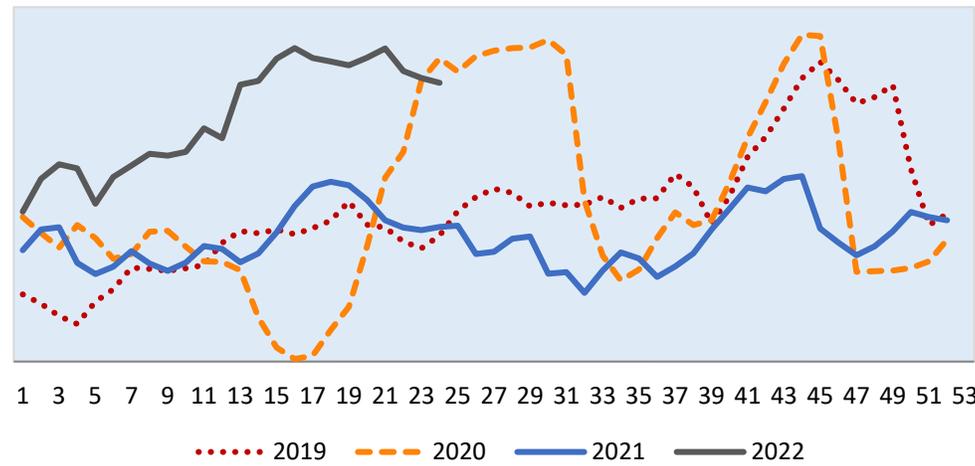
Cream Cheese

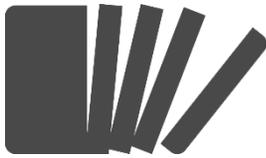
Market is firm. Inventories are limited, and allocations and cuts should continue to be expected for the remainder of the year. Multiple suppliers are not taking on new business, and inventories are expected to remain noticeably light through Quarter 4 of 2022. Labor, logistics, and packaging issues are all contributing to the current industry-wide situation. Both foodservice and retail sectors are being affected.

Cheese Block Market Average Weekly \$/lb



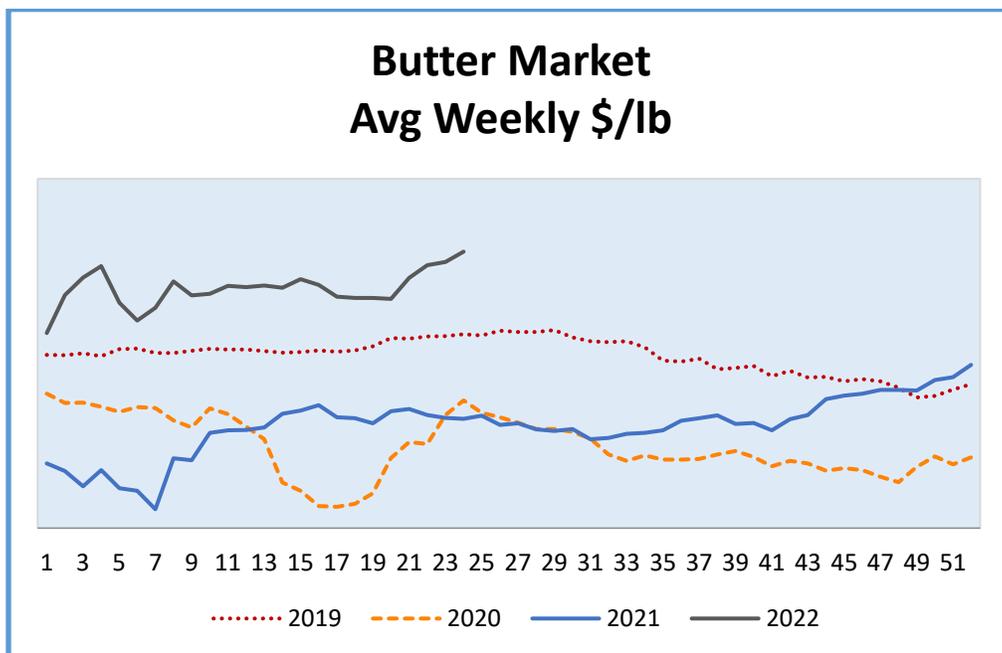
Cheese Barrel Market Average Weekly \$/lb





Butter

Market is steady. The CME Butter Market is down just slightly this week after several weeks of price growth. Butter production nationally is steady, and cream supplies, while tight in many areas, are available to meet most needs. In the Northeast, butter production is busy, with some contacts reporting tight cream supplies. Foodservice and retail demand are both softening in the Northeast this week, mostly blamed on higher prices. In the Central region, production is being pressured, as expected, by a return to tighter cream supplies after the temporary break following Memorial Day. Labor shortages are also a drag on production in the Central, as tight cream supplies are causing many plants to switch to more labor-intensive micro fixing shifts, which only exacerbates the labor issues that have been reported in the region for months. Foodservice and retail demand in the Central are now meeting or in some cases surpassing seasonal projections, with this region being the bright spot in the demand picture across the country. In the West, demand for cream remains high as both ice cream and butter producers are in high gear moving into the summer. Still, with better cream availability than other regions, butter makers are generally able to keep busy, and cream loads are still being shipped out to the Central and East to pad inventories in those areas. However, selling cream loads out of the region may slow down in the coming weeks as cream supplies appear to be significantly tightening in the West, and fuel prices are driving up long distance hauling costs. Demand in foodservice and retail continues to show signs of weakening in the region due to higher prices at both grocery stores and restaurants. Butter production in the west is steady, but below seasonal expectations for this time of year, due to persistent labor shortages and higher hauling costs for production materials.

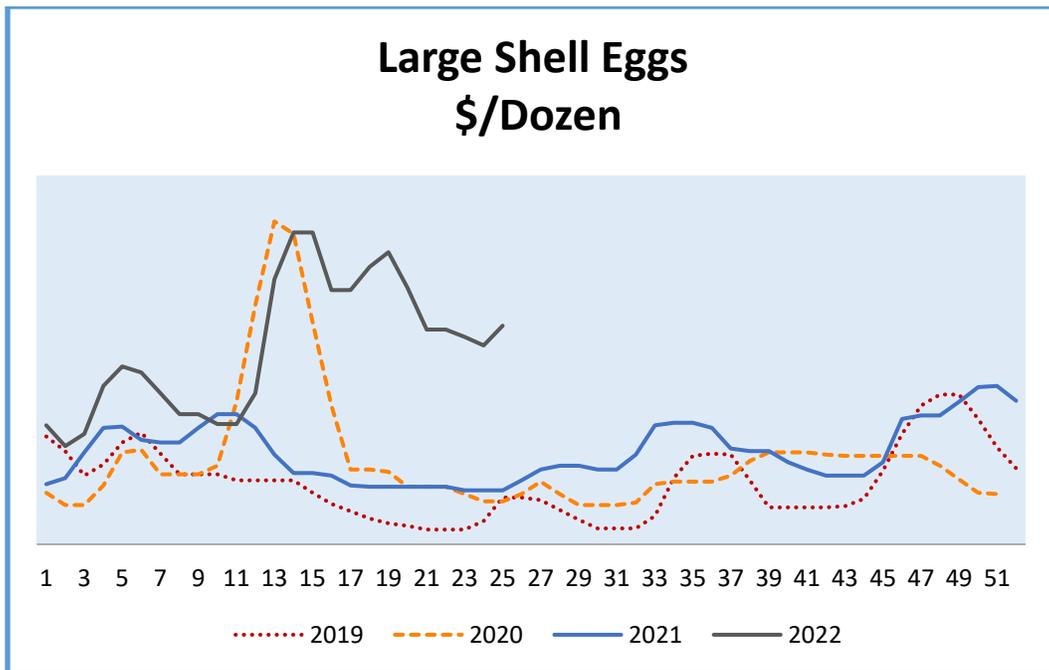




EGGS

Market is firmer. Retail volume is improving as lower shelf prices and promotional activity are having a positive effect. Foodservice and fast-food demand continue to be strong as Americans resume a more active travel schedule. With the market at seasonally elevated levels, buyers remain cautious and are maintaining a weekly turn approach. Supply is available on medium and large sizes. Market is moving higher on both medium sizes and large sizes. National weekly shell egg inventory reports shell egg inventory down 2.2% over last week.

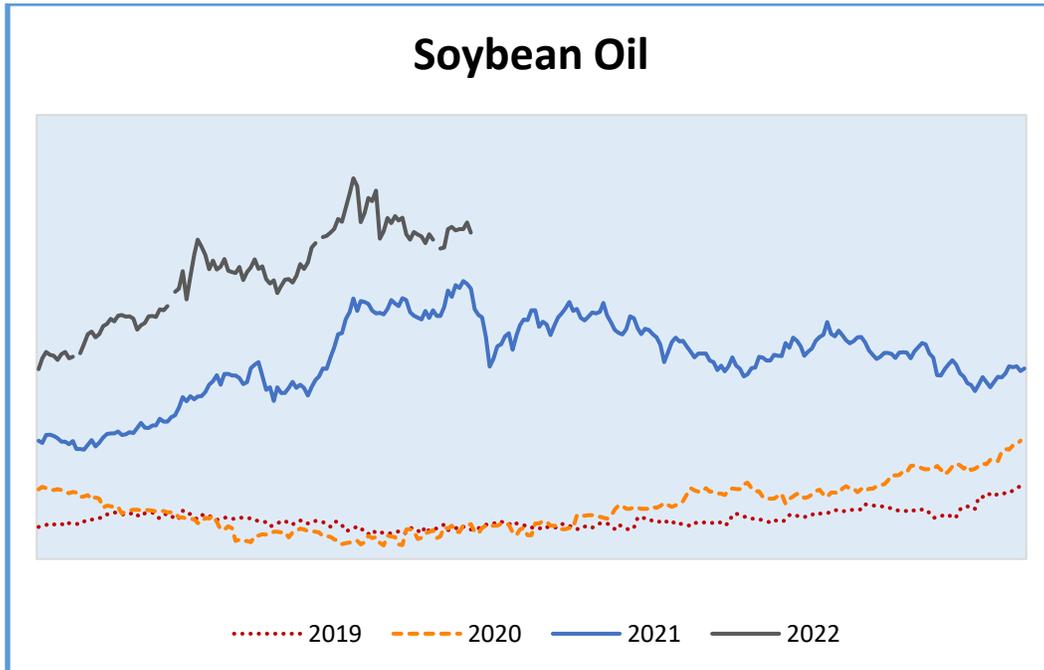
Breaking stock demand has been trending strong over the last week as foodservice business is vibrant and further processors need to replenish inventories. In addition, processors that need graded eggs are providing much needed demand. Supply is in balance with customer needs, and the market is holding even.





SOY OIL

Market remains firm. The weather cooperated, which allowed for farmers to get crops into the ground in a timely fashion. Estimated stocks-to-use ratios are 4.6%, which are historically low levels, will aid in keeping the pricing volatile. U.S. soybeans stock-to-use has been below 5% in only five years over the same period.



CANOLA OIL

Market remains firm. Planting progress has improved as there are talks of increased U.S. acres in MT through MN. However, Canola is still looking very tight for Q3.

COMMODITY CANNED GOODS

Drivers affecting the 2022 new pack price increases:

- The price of steel has increased 90% to 105% over previous year.
- Transportation – 34% increase in freight year over year. Diesel fuel currently at \$5.72/gallon versus an average of \$2.43/gallon last year.
- Packaging increases.
- Labor issues.

CORN

Market remains firm. The season-average corn price for 2022/23 is projected at \$6.75 per bushel. This is well above the 2021/22 average of \$5.95.

CORNSTARCH

Current national shortage due to on-going labor shortages and supply chain issues.

RICE

Market is firm. Excessive rains are slowing the crop progress in Arkansas, which is the top producer of rice in the U.S. Additional rains are forecasted for next week.

SUGAR

Market remains firm. Sugar prices continue to increase in some markets, due to demand outpacing supply. Prices on all sugar types (granulated, powders, brown and liquid products) will remain at inflated levels through summer.

TOMATOES

Market is steady. Crops are off to a great start. Tonnage flow is where it needs to be, as opportune weather conditions continue for ideal planting.

